



Indiana State Teachers' Retirement Fund

TRF's Pension Plan Managed to Withstand Market Fluctuations

Cash Flow, Diversification of Investments, and Prudent Investment Decisions are keys to managing the short term and long term needs of our members.

With recent news reports regarding the stock market and the struggles of some financial firms, it is natural for TRF members to have concerns about their benefits and investments with TRF. Retired TRF members can be assured that recent events pose no current risk to their monthly benefit checks, and TRF members who are currently working toward retirement can be confident that TRF's investments have been and will continue to be managed to withstand market fluctuations. This can all be demonstrated by TRF's commitment to three key strategies: Strong Cash Flow, Diversification of Investments, and Prudent Investment Decisions.

STRONG CASH FLOW

TRF's current outflow of cash needed to pay retirement benefits is keeping pace with the current inflow of cash from the State of Indiana and Indiana School Districts.

TRF does not require any income from its investment portfolio to meet short term cash needs.

TRF's investment portfolio is important to the long term needs of our members. As the need is long term, TRF manages the portfolio as a long term investor and makes investment decisions based upon a 30-year time horizon.

DIVERSIFICATION OF INVESTMENTS

TRF's portfolio is allocated amongst many diversified investment classes, including U.S. stocks, international stocks, bonds, and other fixed income securities, as well as real estate and private equity throughout the world. When one type of investment is down, other types can be up. Assets are allocated by design to offset the risk from one asset class to another.

Diversification minimizes major swings, up or down, and provides TRF more stable investment returns over the long term.

PRUDENT INVESTMENT DECISIONS

By law, TRF is required to invest under the prudent investor standard.

As a long term investor, TRF invests in assets that achieve a moderate level of return and risk.

TRF employs a highly experienced staff of investment professionals who use some of the best money managers and investment consultants in the world.